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City and Town

A Publication of the Department of Revenue's Division of Local Services



Volume 15, No. 4 April 2002

State Budget Process and Local Aid

by Joe Markarian

In each of the last 10 years, local aid statewide has increased an average of 8.3 percent, or \$281.5 million, from one fiscal year to the next. In FY02 alone, net Cherry Sheet distributions were over \$5.1 billion in total compared to a 14-year low of \$2.3 billion in FY92. However, early indications suggest that these levels may not be sustained in FY03. Facing this prospect, local officials now have more reason than ever to follow the state appropriation process as they prepare municipal budgets.

Each year, cities, towns and regional schools districts look to the Governor's budget as the first indication of local aid distributions, recognizing that historically the Legislature has not, as a rule, acted to decrease this level of financial support. Even with these numbers in hand, however, independent analysis is critical for local officials to attain some measure of confidence in early projections from the state.

The Governor's proposal for local aid becomes public when, by the fourth Wednesday in January, the state budget appropriation request is filed with the House and is designated as House 1 (or House 1A in the second year of a two-year session). The Governor's budget package for FY03 reacted to a sluggish economy and dramatic declines in state revenues by recommending a modest 2 percent, or \$105 million increase in local aid.

In a rare action, the House responded to the Governor's proposal in a letter to local officials from the Ways and Means Chairman, Representative John H. Rogers. The letter forewarned com-

munities of the prospects for a 10 percent reduction in state aid distributions in FY03 and cautioned them to plan accordingly.

Once filed, the Governor's budget is immediately directed to the House Ways and Means committee, where it currently resides. Following deliberation and changes by Ways and Means, the budget that is presented to the full House usually looks substantially different from the Governor's original proposal. On the floor of the House, it is subject to further amendments, ultimately passed and sent to the state Senate. This usually occurs around late April or May.

The Senate also receives a copy of the Governor's budget in January. Over ensuing months, the Senate Ways and Means Committee prepares its own budget, which cannot be reported out until House action is complete and can also be expected to deviate from both the House and Governor's versions. Once presented to its membership, usually in May, the Ways and Means budget is subject to amendments from the Senate floor.

At this point, there are technically three versions of the state budget with variances in the amount and configuration of local aid provisions that reflect divergent funding strategies and priorities. The next step involves the appointment of a conference committee, which includes two members of the majority party and one member of the minority party from each chamber. It is appointed to resolve differences between the House and Senate versions of the

budget. With the exception of technical corrections, its report is not subject to further amendment upon return to the House and Senate for a final vote.

When the approved budget is placed on the Governor's desk, the 10-day clock begins ticking. Although it rarely happens, if the Governor fails to act within 10 days, the budget as passed becomes law. Within the 10-day period, the Governor can approve or veto the entire budget, strike (but not change) language, or veto individual line items. In response, the Legislature can reinstate any line item, i.e., override the veto, by a two-thirds vote of each chamber. All line items not vetoed become law with the Governor's signature.

The FY02 state budget contained 81 outside sections that are articles written in narrative form and inserted after the budget line items. Outside sections were originally drafted to be limited in scope, but had for a period been used to create law in non-fiscal areas. There have been recent attempts to restrict their use.

[continued on page seven](#)

Inside This Issue

From the Deputy Commissioner 2

Legal

Disaster Relief 2

Focus

MEMA and Your Community 3

DLS Update

Murphy Appointed PTB Chief 6

New Proposition 2½ Guidelines 6

New Officials Finance Forum 6

DLS Reporting Requirements 7

UST Grants Program Reminder 7

DLS Profile 8



From the Deputy Commissioner

There are several reasons why it is a good idea for cities and towns to build up their stabilization funds. Though free

cash offers flexibility, it may vary from year-to-year and is only available upon certification. Stabilization funds, on the other hand, are special reserve funds that may accumulate and carry forward balances from one fiscal year to another. Interest earned from the balance in the stabilization fund remains with the fund. One way to build a stabilization fund is to establish a policy to appropriate a modest amount of free cash into the fund annually. In good economic times, any free cash over a certain percentage of budget, say 3 to 5 percent, may be appropriated to the stabilization fund.

The Division of Local Services encourages municipalities to adopt general policies to build an adequate stabilization fund. Even though stabilization funds may be used for any lawful purpose, local policy might first direct funds to certain budgetary areas, such as tax rate reduction, or one-time only expenditures. Stabilization can also be an early funding source for capital programs. For example, a policy might advocate the use of stabilization funds for start-up costs, design expenses, or other necessary expenditures in advance of bonding major capital projects.

A healthy stabilization fund balance can also strengthen the community's position when it seeks a review and upgrade of its credit rating.

Joseph J. Chessey, Jr.
Deputy Commissioner

Legal

Disaster Relief

by James Crowley

Whenever disasters have caused severe damage in the Commonwealth, the Department of Revenue (DOR) has played a role in providing options for relief to cities and towns. This article discusses actions taken by the Bureau of Accounts and Property Tax Bureau (PTB) when crises have occurred.

As a general matter, a municipal department cannot incur a liability in excess of an appropriation. Under M.G.L. Ch. 44 Sec. 31, however, the Director of Accounts can authorize payment from available funds in a municipality's treasury for liabilities incurred due to a "major disaster ... which poses an immediate threat to the health or safety of persons or property, and then only by a vote in a city of two-thirds of the members of the city council, and in a town by a majority vote of all the selectmen." Any payments so authorized are raised by the city or town in the setting of the next fiscal year's tax rate, unless provision is made by appropriation or transfer.

The Director of Accounts is also a statutory member of the Emergency Board and the Emergency Finance Board. Under the provisions of M.G.L. Ch. 44 Sec. 8 (9), the Emergency Board by majority vote can authorize municipalities to borrow, not in excess of two years, for emergency appropriations. This statute defines "emergency" as a "sudden, unavoidable event," which specifically does not include the funding of collective bargaining agreements or paying for items disapproved that fiscal year by the town meeting or city council. The Emergency Board can allow a municipality to borrow for a purpose not specifically authorized in the General Laws. For example, the Emergency Board permitted a municipality

to borrow to repair culverts and roads damaged during a storm. Any approval by the Emergency Board requires two-thirds approval by town meeting or city council to effectuate the borrowing.

The Emergency Finance Board (EFB) was created under M.G.L. Ch. 10 Sec. 47 to have oversight of the financial condition of municipalities. In many statutes, prior EFB approval is needed before a city or town can issue debt. Two frequent situations come to mind. The EFB must give its approval where a proposed borrowing concerns the remodeling, reconstructing and making extraordinary repairs to public buildings as set forth in M.G.L. Ch. 44 Sec. 7 (3A), and set the maximum term of the borrowing. Similarly, the EFB must approve any borrowing under M.G.L. Ch. 44 Sec. 8 (23) for the remodeling, reconstructing or making extraordinary repairs to various solid waste disposal facilities.

Over the years, the PTB has been involved in assisting municipalities affected by disasters. For example, when tornadoes have struck, the Legislature has enacted special legislation whereby assessors could provide "an equitable adjustment of taxes on property wholly or partially destroyed" but not in excess of building value. Under the terms of this special legislation, the abatement deadline was extended and the assessors could grant abatements under M.G.L. Ch. 59 Sec. 59, or receive authorization to abate a specific sum from the Commissioner under M.G.L. Ch. 58 Sec. 8. Communities were reimbursed by DOR for abatements granted to damaged properties. Flood damage led to the Commissioner's reimbursement to communities for loss of revenue due to the abatement of taxes, up to the amount of the Legislature's appropriation.

[continued on page eight](#)

in Our Opinion

Focus

on Municipal Finance

MEMA and Your Community

by Peter Judge, Public Information Officer, MEMA

Most people tend to think of the Massachusetts Emergency Management Agency (MEMA) only during snowstorms and hurricanes, or when floodwaters begin to rise. But the fact is, MEMA's day-to-day charge is to support and enhance the preparation and response capabilities of all 351 cities and towns throughout the Commonwealth. Community-based emergency management is what MEMA strives to achieve.

Regardless of the size or scope of an event, the ultimate responsibility for dealing with it lies with local officials. Local fire, police, public works, emergency medical and emergency management personnel are usually the first to arrive on the scene and deal with the emergency's initial problems. No matter how much state or federal assistance a community receives, local officials are primarily responsible for making things whole again once all the assistance has moved on. For these reasons, MEMA strives to prepare local communities for emergency events.

Unlike most states that deal with emergency management on a county basis, all 351 communities in Massachusetts have their own local emergency management director. It would be unwieldy and inefficient to try to work with all of them directly out of the state headquarters on a daily basis, let alone during an emergency. Therefore, MEMA has divided the state into quadrants with regional directors and staff dedicated to working directly with only about 90 communities. Regional offices are located in Tewksbury, Bridgewater, Westborough and Belchertown. These offices develop close relation-

ships with the communities they serve and become aware of their potential strengths or weaknesses during certain types of events.

To appreciate how MEMA works with local communities, it is helpful to have an understanding of the "Four Phases of Emergency Management." They are: Preparedness, Response, Recovery and Mitigation.

- "Preparedness" includes ongoing planning and training. MEMA works with each community to develop, maintain and exercise its own Comprehensive Emergency Management (CEM) Plan. This CEM Plan is unique to each municipality. It is an "all-hazards plan" that deals with the potential risks a particular community might face, such as a blizzard, flood, power outage, dam break, or hazardous material spill. It lays out a game plan on how to best deal with the event, containing all pertinent information including key telephone numbers, pre-assigned roles and responsibilities, location of equipment, evacuation routes and shelter locations.
- "Response" encompasses all that it takes to deal directly with an event, as it approaches and occurs. MEMA understands that, inevitably, events will occur that will exhaust a community's assets and require state or federal assistance (man-power, equipment, technological expertise). One of MEMA's hopes is that communities will have planned, trained and prepared sufficiently to provide a credible initial response to the event. It will take some time to gear up all the state's assets, so a community's response within the first 24–48 hours is critical.

- "Recovery" is spearheaded by MEMA's Disaster Recovery Division. This group works directly with the victims of disasters. For example, MEMA

works to acquire assistance from federal, state and private sources in an attempt to make things whole again. Over the last decade, MEMA has administered the disbursement of almost \$202 million in Disaster Relief Funding (see *Table 1*).

- "Mitigation" is becoming a more important piece of the emergency management puzzle. The concept deals with the prevention or minimization of damage caused by reoccurring disasters. It is implemented by providing local governments with planning assistance, technical assistance and grant funding. Examples of mitigation projects include elevating flood prone homes and enlarging culverts so floodwaters do not inundate neighborhoods and businesses. MEMA recently submitted applications for over \$1.4 million in new mitigation funds through the Hazard Mitigation Grant Program (HMGP) and another \$366,000 in funds through the Flood Mitigation Assistance Program (FMA). MEMA is still managing open grants dating back to 1998 totaling almost \$8 million. The MEMA Disaster Recovery staff is preparing to send out applications for the 2002 FMA funding round which will provide another \$322,900 in mitigation funding.

During calmer times, MEMA also assists local communities in the coordination of multi-agency or multi-jurisdictional events, such as the Boston Marathon, First Night, July 4th Pops Concert, and Sail Boston, particularly with the communications, planning and logistical aspects. MEMA will continue to work very closely with every local community to ensure the continued safety and security of all of the citizens of the Commonwealth, particularly during these uncertain times. ■

Disaster Relief Funding, Public and Individual Assistance

Disaster / Date of event	Disaster number / Type of assistance	Declared areas	Federal share disbursed	State share disbursed	Total disbursed to date
Hurricane Bob August 1991	FEMA-914 / public	Counties of Barnstable, Bristol, Dukes, Essex, Hampden, Middlesex, Nantucket, Norfolk, Suffolk and Plymouth	\$28,166,029.00	\$3,924,237.00	\$32,090,266.00
No-Name storm October 1991	FEMA-920 / public	Counties of Barnstable, Bristol, Dukes, Essex, Middlesex, Nantucket, Norfolk, Suffolk and Plymouth	7,737,086.00	983,661.00	8,720,747.00
December blizzard December 1992	FEMA-975 / public	Counties of Barnstable, Dukes, Essex, Plymouth and Suffolk	11,929,598.00	1,620,619.00	13,550,217.00
March blizzard March 1993	FEMA-3103 / public	All 14 counties	1,284,873.00	183,649.00	1,468,522.00
April flood April 1993	State / public	Town of Hadley	0.00	27,040.98	27,040.98
Microburst storm July 1994	State / public	Town of Greenfield	0.00	59,701.13	59,701.13
Berkshire tornado May 1995	State / public	Towns of Egremont, Great Barrington, Monterey and DEM, National Guard	0.00	871,632.89	871,632.89
Russell / Montgomery fire September 1995	FEMA-2116 / public	DEM, National Guard	79,665.00	0.00	79,665.00
	State / public	Towns of Russell, Blandford, Cummington, Huntington, Montgomery and Southampton	0.00	100,000.00	100,000.00
January blizzard January 1996	FEMA-3103 / public	All 14 counties	16,177,860.00	0.00	16,177,860.00
May windstorm May 1996	State / public	Counties of Plymouth, Norfolk and Bristol (27 communities)	0.00	774,387.77	774,387.77
Franklin County rainstorm June 1996	State / public	Towns of Montague, Leverett, Shutesbury, Conway, Wendell and DEM, National Guard	0.00	2,267,236.14	2,267,236.14

Note: Individual assistance funding includes loans and grants under the Federal Emergency Management Agency (FEMA) Disaster Housing, State Individual Family Grant Program and/or Small Business Administration Home and Business Loan Programs. Highlighted events (in **bold** type) indicate all reimbursements made; disaster closed out.

Disaster / Date of event	Disaster number / Type of assistance	Declared areas	Federal share disbursed	State share disbursed	Total disbursed to date
October flood October 1996	FEMA-1142 / public	Counties of Essex, Middlesex, Norfolk, Plymouth and Suffolk	\$21,547,025.97	\$3,430,009.00	\$24,977,034.97
	FEMA-1142 / individual		37,065,539.00	0.00	37,065,539.00
June flood June 1998	FEMA-1224 / individual	Counties of Bristol, Essex, Middlesex, Norfolk, Suffolk, Plymouth and Worcester	20,034,025.00	0.00	20,034,025.00
Worcester fire December 3, 1999	FEMA-3153 / public	City of Worcester, State Fire Mobilization communities and state agencies	2,733,434.51	875,703.59	3,609,138.10
Tropical Storm Floyd September 16–17, 1999	State / public	Counties of Hampden, Hampshire, Franklin and Worcester (23 communities)	0.00	875,443.82	875,443.82
June rainstorm June 25, 2000	State / public	Towns of Adams, Cheshire, New Ashford, North Adams and Williamstown	0.00	26,861.00	26,861.00
July rainstorm July 15–16, 2000	State / public	Town of Heath	0.00	180,000.00	180,000.00
March flood March 2001	FEMA-1364 / individual	Counties of Bristol, Essex, Middlesex, Norfolk, Suffolk, Plymouth and Worcester	18,000,000.00	0.00	18,000,000.00
March blizzard March 2001	FEMA-3165 / public	Counties of Berkshire, Essex, Franklin, Hampshire, Middlesex, Norfolk and Worcester	20,742,629.36	0.00	20,742,629.36
Tropical Storm Allison aftermath June 17, 2001	State / public	Towns of Hampden, Leominster, Monson, Princeton, and Wilbraham	0.00	273,712.00	273,712.00
June / July rainstorm June 30–July 1, 2001	State / public	Towns of Bellingham, Millis and Walpole	0.00	9,792.00	9,792.00
Total disbursements to date			146,755,135.48	15,701,577.72	201,981,451.16
Note: Individual assistance funding includes loans and grants under the Federal Emergency Management Agency (FEMA) Disaster Housing, State Individual Family Grant Program and/or Small Business Administration Home and Business Loan Programs. Highlighted events (in bold type) indicate all reimbursements made; disaster closed out.					

Table 1

DLS Update

Murphy Appointed PTB Chief



Deputy Commissioner Joseph J. Chessey, Jr. has announced the appointment of Daniel J. Murphy to bureau chief of the Property Tax Bureau (PTB). Dan succeeds Bruce Stanford who recently retired after working as an attorney in the PTB since 1986. Bruce served as bureau chief since March 2000.

Dan is a graduate of Suffolk University Law School. He has worked as an attorney in the PTB for 20 years as a specialist in municipal law, particularly in property taxation and finance. Dan has also been an instructor in state-wide schools for municipal finance officers as well as the annual "What's New in Municipal Law?" seminar and Course 101, the basic training program for assessors.

According to Deputy Commissioner Chessey, "Dan has made several important contributions to the Division of Local Services, especially with respect to his work in the area of special programs pertaining to the Chapter 61, 61A and 61B property tax classifications. The Division is fortunate to have the opportunity to draw upon Dan's leadership ability and wide range of experience in municipal finance." Deputy Commissioner Chessey has also commended Bruce Stanford for his dedication and outstanding work as PTB bureau chief and has wished him the best of luck in his retirement.

New Proposition 2½ Guidelines

The Division of Local Services (DLS) has recently issued guidelines that explain our policies regarding an approved Proposition 2½ debt service exclusion (Informational Guideline Release (IGR) No. 02-101).

The first policy relates to determining the amount of borrowing covered by an approved debt exclusion. Even though a dollar amount is not included in the referendum question, the exclusion is not unlimited and does not necessarily cover all cost increases. According to the IGR, "An exclusion covers the debt service costs on the borrowing amount *authorized or contemplated* for the described purpose or purposes *at the time of the referendum vote*. Debt service on any borrowing above that fixed amount is *not excluded unless* (1) it is a modest amount attributable to inflation, new regulatory requirements or minor project changes, or (2) another exclusion is approved by the voters."

Furthermore, a city or town that increases the amount borrowed for a purpose described in a debt exclusion may apply *one time only* to the Director of Accounts for a determination regarding the borrowing amount covered by that particular exclusion. Once a decision is issued, any additional amount, even if *de minimis*, must be financed within the community's levy limit unless the voters approve a supplementary referendum question.

The second policy relates to determining the amount excluded annually. Ordinarily, the annual debt exclusion is equal to the debt service payment due for that year *net* of any federal or state reimbursement being received for the project. Borrowing or reimbursement timing issues may result in sharp changes in the tax levies for some of these years, particularly at the outset. In these cases, an adjusted debt exclusion schedule may be used in order to moderate the impact on taxpayers. The *total amount* excluded over the life of the borrowing remains *unchanged*, but the annual exclusion amounts are adjusted. The Director of Accounts will approve adjusted exclusion schedules, using the standards and procedures set forth in these guidelines.

Copies of this IGR are available on the DLS website at www.dls.state.ma.us under "Publications and Forms" and also by contacting Joan Gourke at (617) 626-2353.

New Officials Finance Forum

The Division of Local Services (DLS) is presenting a seminar for recently elected or appointed officials on Friday, June 7 at the Ramada Inn in Auburn. Selectmen, mayors, city/town council members, accountants, auditors, assessors, collectors, treasurers, clerks, finance directors, city/town managers and finance committee members and their staffs are invited to participate. New officials will gain a basic understanding of Proposition 2½, budgeting, setting the tax rate, free cash and reserve and debt policies.

The structure of the seminar is intended to encourage a team approach to fiscal management. After a presentation by DLS staff, participants will have the opportunity to work with other local officials to calculate a levy limit and to complete a tax recapitulation sheet.

Participants will return to their communities with knowledge and understanding that should enable them to be effective and efficient members of their local financial management teams. They will know whom to contact at DLS for technical assistance if needed. Attendees will receive written materials, providing an excellent resource. DLS will award certificates to those who complete the seminar. A registration bulletin containing further information was issued to local officials this month. ■

DLS Update

DLS Reporting Requirements

Cities and towns are statutorily required to report certain information to the Division of Local Services (DLS). The purpose of these requirements is to ensure that DLS has current information regarding borrowing, engagements of audit firms, Proposition 2½ referendum questions and the Community Preservation Act (CPA). The following is a list of the specific information required.

Borrowing Authorizations

Clerks are required to send the Director of Accounts, within 48 hours after the vote becomes effective, certified copies of all debt authorizations.

The votes must be declared passed by a unanimous vote or an actual counted two-thirds majority or by a declared two-thirds majority. If a vote is contingent upon a Proposition 2½ debt exclusion or override, it is not considered passed until the exclusion vote passes. Certified election results for the debt exclusion must also be submitted with a contingent vote to authorize debt.

In addition to the statutory reporting requirements, the Bureau of Accounts also requires a DA-82 Loan Authorization Report. The purpose of this form is to ensure that debt authorizations occurred at a duly called, valid meeting that complied with the open meeting law and other legal requirements. The DA-82 is not required for cities.

The DA-82 is available on our website (www.dls.state.ma.us). Click on "Publications and Forms" and then "State House Note Program Forms."

Proposition 2½ Questions

Specimen ballots with certified election results for all Proposition 2½ questions voted should be sent to the Municipal Data Bank. This information should in-

clude wins as well as losses and clearly show the date, purpose and type of vote (override, underide, debt exclusion or capital expenditure exclusion).

CPA Votes

City and town clerks should also notify the Municipal Data Bank as soon as possible if their community accepts the Community Preservation Act (CPA) by referendum. The notification form, which is self-explanatory, can be obtained by contacting Joan Gourke at (617) 626-2353.

Engagement of Audit Firm

M.G.L. Ch. 44 Sec. 42 requires clerks to notify DOR of the name and address of any person chosen to perform an audit.

Debt authorizations and audit engagements should be sent to the Public Finance Section, Division of Local Services, PO Box 9490, Boston, MA 02205-9490. CPA votes, overrides and other Proposition 2½ votes should be mailed to the Municipal Data Bank at the same address.

UST Grant Program Reminder

The Underground Storage Tank (UST) Petroleum Product Cleanup Fund Administrative Review Board is now accepting municipal grant applications for FY02. The specific eligibility requirements can be found at 503 CMR 3.00.

All applicants seeking FY02 reimbursement must have all work completed and the application filed by May 31, 2002. The regulations, application and other program information may be obtained through the Underground Storage Tank website at www.mass.gov. If you have any questions please call Stuart Glass at (617) 887-5978. ■

Budget Process

continued from page one

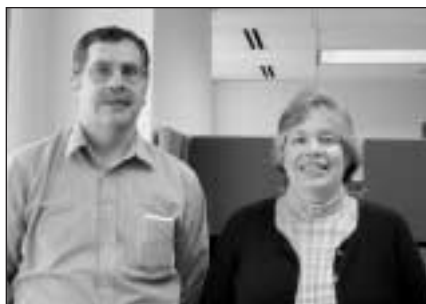
When passage of the budget is delayed, the Governor always exercises the option to submit a so-called "1/26" or "1/12" interim budget for legislative approval. The interim budget continues prior year appropriations for two weeks or one month to keep state government funded.

Other devices for funding state programs involve supplemental and deficiency budgets, both of which function as a mid-year adjustment to the already approved annual appropriation. Historically intended to fund emergency needs, supplemental budgets have evolved into a funding mechanism to account for oversights or unanticipated expenses. Deficiency budgets are generally filed more toward the end of the fiscal year when a gap between actual expenditures and the appropriation is projected and are often necessary to enable the Commonwealth to close its books at year-end.

Outside observers can track the state budget as it moves through the legislative process by visiting www.state.ma.us/legis/. The Governor's Legislative Office is also a source of information, as are individual state agencies, including the Division of Local Services, where information can be found on our website at www.dls.state.ma.us. Legislative hearing schedules are available in the House and Senate Clerks' offices, or on the Legislature's website at www.state.ma.us/legis/. Among private organizations, the Massachusetts Municipal Association advocates for cities and towns and also provides current information on its website at www.mma.org. ■

DLS Profile: BLA Staff

Donna Demirai and **David Wood** have many years of experience working in the Bureau of Local Assessment (BLA). Dave began working for the Division of Local Services (DLS) in 1988. Currently, Dave reviews and approves statistics for communities undergoing triennial recertification. He also reviews new growth submissions and teaches the mass appraisal segment of Course 101, the basic course for assessors.



David Wood and Donna Demirai

Dave holds a bachelor's degree from Bridgewater State College and a master of divinity from Andover Newton Theological School. He also works part-time as pastor of the First Church of Squantum in Quincy. Deputy Bureau Chief Brenda Cameron considers Dave a "dedicated and hard working member of our staff."

Donna has worked for the BLA for about 14 years. Prior to this, she worked as a high school math teacher in Lynn and Salem. Donna oversees the biennial equalized valuation study, performs new growth analyses, is in charge of quality control in BLA, and is assisting with DLS' conversion to Oracle-based applications. She also played a key role, along with Arnold Kanter, in developing the automated tax rate recapitulation program. This program eliminates the laborious and time-consuming process of manually completing the recap sheet and also expedites the tax rate review process.

According to Dave Beck, assessor in Hull, "Donna was a guest instructor at the annual assessors school held at UMass Amherst, for the spreadsheet applications course. She taught how to determine a time adjustment factor for sales prices by utilizing a ratio study technique. She did so well that she was invited back several times." ■

FY03 Preliminary Cherry Sheet Assessments

The Division of Local Services has placed an Excel file containing the FY03 preliminary Cherry Sheet assessments for all cities and towns on its website. The file is located at www.dls.state.ma.us/allfiles.htm#aid. ■

Disaster Aid

continued from page two

The PTB has also provided advisory opinions to municipal officials over a wide range of topics. They include whether a proposed use of the finance committee reserve fund (e.g., to repair a school boiler in winter or fund a new position) meets the "extraordinary or unforeseen" circumstances test set forth in M.G.L. Ch. 40 Sec. 6. When a DPW truck was damaged in a storm, a town official inquired whether the town could simply purchase a new truck, due to the circumstances, without town meeting approval. At the time a replacement vehicle had been leased and the town expected to receive money from the insurance carrier. We advised the official that, in our view, a reserve fund transfer was not appropriate. Rather, the town should seek an appropriation or await the receipt of the insurance payment and proceed under the provisions of M.G.L. Ch. 44 Sec. 53, and go out to bid. ■

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials.

Joan E. Gourke, Editor

To obtain information or publications, contact the Division of Local Services via:

- website: www.dls.state.ma.us
- telephone: (617) 626-2300
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